

New-York Daily Tribune

WEDNESDAY, DECEMBER 6, 1865.

QUADRUPLE SHEET.

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THE TRIBUNE, New-York.

To Advertisers.
We will thank our advertising customers to hand in their advertisements at as early an hour as possible. If received after 2 o'clock they cannot be classified under their proper heads.

To Correspondents.
No notice can be taken of Anonymous Communications. Whatsoever is intended for insertion must be authenticated by the name and address of the writer—not necessarily for publication, but as a guaranty for his good faith. All business letters for this office should be addressed to "The Tribune," New-York. We cannot undertake to return rejected communications.

NEWS OF THE DAY.

FOREIGN NEWS.

By the arrival of the City of New-York at this port we have news from Europe to Nov. 24, four days later than that previously received.

The Shenandoah left the Mersey on Nov. 21, en route to New-York. She has undergone some trifling repairs since she arrived in the Mersey.

The English Government has put Pigeon House Fort, which commands Dublin Bay, into a state of defence. The appearance of some suspicious vessels near the Irish shore is said to be the cause of this measure.

Indications are increasing that Earl Russell intends to bring in a new Reform bill.

The English Ministry had a meeting on November 18, when it was resolved to remonstrate with Spain against her conduct toward Chili. The leading bankers of London had addressed the Minister of Foreign Affairs in the same sense.

The effective reduction of the French army will amount to 10,396 men.

The session of the Italian Parliament was opened at Florence, on Saturday, by King Victor Emmanuel, who delivered a speech in which he said that the relations between Italy and foreign powers were satisfactory, and that fresh taxes would be needed.

GENERAL NEWS.

The case of Charles Mercer, who was arrested at Carlisle, Penn., a few days since, on the charge of being implicated in the murder of Jose Garcia Otero, was presented to the Grand Jury yesterday by the District Attorney, and after the examination of several witnesses, proving that Mercer was at his boarding-house, No. 21 White-st., New-York, on the night of the murder, and was in no way connected with the assassination, the jury recommended his discharge. Mercer was accordingly discharged.

Horace Maynard of Tennessee publishes a note explaining his attempt to be heard in the House on Monday. He considered it his duty to make his presence known to the House, as he had not been recognized by the Clerk.

The Senate Committee, it is said, will be slightly changed. Mr. Dixon of Connecticut will be chairman of the Post-Office Committee, and Mr. Morrill of Maine chairman of that on the District of Columbia.

On Saturday afternoon last two freight trains collided at "The Tunnel," near Canaan, on the Western Railroad. Both engines, together with several cars, were completely wrecked. No person was seriously injured.

Officer Harris of the Twenty-seventh Precinct yesterday arrested William Pickett for having stabbed Martin Cahill, of No. 25 Washington-st., twice in the face, with a knife, inflicting serious wounds.

The National Freedman's Aid Commission will hold a meeting in Washington on Wednesday of next week. Bishop Simpson and the Rev. Henry Ward Beecher have promised to speak.

The steamer City of Bath, before reported ashore in Tarpeian Cove, was towed off yesterday. She is kept free by pumping one-third of the time, and will shortly proceed to Boston.

The bill allowing negroes to testify in the courts was yesterday tabled in the lower branch of the Tennessee Legislature by a vote of 30 to 27.

A mail-bag that left New-York on Sunday night for Cleveland, was stolen in the Cleveland depot on Monday night.

Gold closed 148½ yesterday, and sold as high as 149. Business at the Stock Exchange was on a moderate scale. Government stocks were well supported. After the regular board prices were a little lower. At the second session the market was firm, and few stocks offered. Money on call is abundant at 7 per cent. Commercial paper remains at 7½ for best short bills, and 10½ for second grade. Exchange is firm.

JOSEPH B. VARNUM (XVIIIth Ward) is the only Unionist chosen Alderman yesterday, but the Reformers carried also J. F. DONOGHY in the 11d (down-town) District and ROBERT MCGINNIS in the XIXth Ward. WILLIAM L. ELY is also a Reform Alderman elect, though he had also a Democratic nomination.

It is probable that the Union and Citizens' candidates for Councilmen in the two upper Districts are all elected, giving them one-half the Board.

The conduct of Spain toward Chili meets with strong and unanimous disapprobation throughout Europe. The mercantile classes urgently call upon their Governments to prevent Spain from injuring the interests of other nations by an attempt to enforce demands altogether baseless. In London, Messrs. Rothschild, Baring and the other leading bankers have sent an address in this sense to Lord Clarendon, the new Minister of Foreign Affairs. The English Ministry fully sympathize with these remonstrances, and in a Cabinet meeting, held November 18, it was determined to address an energetic note to the Spanish Government against the conduct of Admiral Pareja. The Spanish Government is preparing a circular to the European Powers, in which it will undertake to vindicate its claims. The French semi-official organs thus far content themselves with expressing the hope that the dispute will be amicably settled.

In order to make room for the voluminous documents from Washington, we, this morning, publish an extra sheet of eight pages, doubling our usual issue. We are thus able to lay before our readers the President's Message, with all the accompanying reports received in time to be put in type. If all the Departments at Washington, who are naturally desirous that their reports should be as speedily as possible laid before the public, had sent them to us in a form as convenient as that of the President's Message—namely, printed on one side of the sheet only,

in fair type—we could have printed them all on an additional sheet.

Our Charter Election yesterday resulted badly, at least so far as Mayor is concerned. The Unionists might, had they chosen, have constituted the larger portion of a triumphant organization that should rule our City so long as it deserved to do so; but most of them chose to struggle for a naked party ascendancy, whereby they drove thousands of Democrats back to Tammany Hall and elected its candidate for Mayor. Such result must inevitably follow a rigid drawing of party lines.

How many will read aright the lesson, we cannot say; but we know that our City will be honestly and frugally governed whenever her better citizens resolve that she shall be, and that they will ignore all party differences to secure this end. So long as she shall be governed ostensibly in the interest of either great National party, she will be badly governed, and no choice of Mayor can obviate this necessity. We cannot out-vote the overwhelming Democratic majority; we cannot draw party lines in eager quest of a party victory without causing them to be drawn also against us. There is just one way wherein a wholesome, honest Municipal rule can be secured; and that is, by a union of all citizens who desire such rule to effect it. And for that we mean to struggle till it shall have been achieved.

—As to Aldermen, Councilmen and School Officers, we believe the men chosen yesterday are, as a body, a decided improvement on those they succeed.

The aggregate vote cast for Mayor in our city yesterday was 81,409 (very nearly), divided as follows:

John T. Hoffman (Tammany)..... 32,847
Marshall O. Roberts (Union)..... 31,416
John Hecker (Reform)..... 10,465
C. Godfrey Gunther (McKoon)..... 6,681
Hoffman over Roberts..... 1,431.

In all but 12 Election Districts, the total vote for Corporation Council stands:

O'Gorman..... 47,256 | Hoffman..... 29,866
Mr. O'Gorman's majority will not vary much from 18,000.

THE PRESIDENT'S MESSAGE.

No document dispensing so many diverse questions of grave moment and seriously affecting so many vital interests as the first Annual Message of President Johnson could reasonably be expected to accord in every respect with the convictions or prepossessions of a majority of its readers; yet we doubt whether any former Message has, on the whole, contained so much that will be generally and justly approved, with so little that will or should provoke dissent. It is a State paper of signal ability and of unusual frankness, dealing unreservedly with every great question of internal or international policy, and calculated to increase the hold of its author on the regard and confidence of the American People.

On a single point, we non-concur with the President. His assertion that, if he had assumed to extend the Right of Suffrage to Blacks in the States lately in revolt, he must have done the same with all the States, is clearly mistaken, as Mr. Johnson must see, if he will vary the form without varying the essence of his proposition, so that it shall read—"If I had assumed to appoint Provisional Governors for the States lately in revolt, I must have appointed such Governors for all the States." His right to meddle at all with the internal polity of any State sprung from the participation of that State—that is, of its chosen representatives and rulers—in the Slaveholders' Rebellion. Delaware is a very small State, and not an eminently loyal one; yet the President has no more right to provide her with a Governor than to endue her with a Chief-Justice and Legislature.

We do not care to chop logic with those who insist that no State has ever gone out of the Union. If it means only that all the territory included within the area of the United States, as defined by its Constitution and by treaties since made in pursuance thereof, has remained and still remains within the Union, no matter though temporarily in the power of an invading or insurgent force, we do not care to object. But if any one chooses to assert that the body politic and corporate known to the world as the State of Georgia or of Mississippi has not been alienated from and at war with the Union, we must be allowed to hold a contrary opinion. That it had no right to "enter into any treaty, alliance or confederation," we well know; that it did what it was thus precluded from lawfully doing, we also know. The dialectics which prove that no State has been out of the Union would as easily demonstrate that no man ever committed burglary or forgery, because none had any right to do ought of the sort.

The Constitution and Government respectively of ten States were perverted to the uses of treason, and thereby overthrown. The Union "repossessed" those States by the strong arm. It acquired thereby the right to insist that their framework of government and polity should be purged of whatever had been proved inimical to its own existence, safety, tranquillity. And if the President, either directly or through his Provisional Governor, had summoned the whole people of each State—whether previously enfranchised or not—to choose delegates to a Convention to frame and submit a new Constitution, adapted to their changed circumstances, he would have been amply justified in so doing, and would have had as clear authority for it as for appointing a Provisional Governor and prescribing certain fundamental bases of Reconstruction.

To talk of referring the Suffrage question to the States, is to darken counsel by dexterous phrases. The obvious question, "Who constitute the State?" at once shows that the difficulty is not solved but evaded. To submit this

fundamental question to all the people of the State, is very well; to submit it to that portion only of the people who have, with hardly an exception, been Rebels, and allow them to punish the steadfast Unionists by rigorous disfranchisement and proscription, is not well. And if "good faith requires" of the Union "the security of the freedmen in their liberty and their property, their right to labor," and its just recompense, then it must be that we have power to compass these ends by enfranchisement, since nothing short of this will prove effective. Good faith cannot require us to achieve an end whereof the means are beyond our power.

—There is hardly another point wherein the President's suggestions do not command our thorough approval. That he should heartily urge Currency contraction, the limitation of Expenditure, public and private, and the reduction rather than augmentation of Indebtedness with a view to early Resumption and the gradual liquidation of our vast National Debt, while he scouts Repudiation and all that pertains to it—so much we note with gratification but without surprise. So with all he says in advocacy of Free Labor and the Constitutional Amendment. But his frank and forcible condemnation of Railroad Monopoly of the Camden and Amboy pattern, and his call for legislation to defeat it, is more than we had expected or hoped for, and we thank him most heartily for this proof of his earnest, practical sympathy with the masses wherever their rights or interests are invaded or menaced.

We think Europe will be agreeably surprised by the moderate though firm language wherein the President discusses the outfit and numerous reefs of the Alabama, Shenandoah and other Rebel corsairs, in British ports. The question at issue, as he forcibly states, concerns not the good faith wherewith the British Government executed their own laws, but reciprocal obligations existing anterior to and independent of all such laws. We have rights in the premises which British law did not create and cannot be allowed to defeat. The British-built, British-armed, British-manned rovers that stole out of Liverpool only to steam boldly into other British ports and there be eagerly fitted and supplied with every thing essential to the highest efficiency in plundering, burning and sinking our merchantmen, and running away from our cruisers, may have violated no British statute; but they have done us grievous harm and wrong, in palpable defiance of the comity of nations, and of our right to navigate the seas unassailed from the ports of a neutral and professedly friendly power. We can wait for a settlement; but it will not be wise in Great Britain to postpone it.

As to recent European monarchial demonstrations against the independence of not the existence of certain American Republics, the President expresses very fairly and clearly the general sentiment of our people. We loathe War—we mean to keep out of it—but France and Spain must not presume too far on our reluctance to resort to arms. We can overlook the past, if we have reliable assurance that the future will not reproduce and aggravate it. We see nothing in what the President says on this point which can be treated by France as a threat; yet it is plain that the pouring of French, Austrian or Belgian troops into Mexico must cease, and that no other Spanish-American Republic must be treated as Chili has just been. We trust the President has said enough to aid the general desire of the French to be rid of Mexico at the earliest day, with nothing that can be perverted into a menace, and thus made the pretext for further aggressions. And we thank Andrew Johnson for so happily reminding Europe that, if republican institutions have here been on trial, the result is a most triumphant verdict in their favor.

—Other topics discussed in the Message must stand over—at least for to-day.

GEN. GRANT'S REPORT.

We print Gen. Grant's report in full. It is and must always remain a document of surpassing interest, and its great length will not deter anybody from reading it who relishes a simple, manly, and perspicuous narrative of one of the most tremendous campaigns in the history of war. One campaign in fact is, though stretching over half a continent and lasting more than a year. Over that space and during that time one mind directed the movements of the armies of the Union and controlled the fortunes of the war. Gen. Grant writes with great freedom in reference both to events and persons, and there are portions of his report which we imagine may prove fruitful of not a little controversy.

REPORT OF THE SECRETARY OF THE INTERIOR.

It appears from the report of the Secretary of the Interior that during the past year 4,513,735 46 acres of the public lands have been granted to various parties, and that on the 30th September there were still 132,285,035 acres surveyed and undisposed of. For lands sold he has received \$718,427 25, an excess of ten per cent over the previous year. Different regulations are in force in the different territories regarding claims to unoccupied lands, and some uniform law is asked. The lands are very wisely sold for the sum necessary to survey and transfer them to actual settlers and purchasers. It is estimated that 250,000 able-bodied men are mining upon the public domain without paying anything for the privilege. In view of the tax upon most other pursuits, it is suggested they be not neglected.

The number of pensions added to the roll during the year was 15,328, requiring \$1,220,755 90 annual payment. Allowed during the year were 24,093, at an annual charge of \$2,574,179. Of naval pensions there were 226 awarded, and \$265,480 62 paid, which is amply provided for by the investment of the Government share of prize money. The increasing number of pensioners demands a largely-increased appropriation.

There are within our boundaries about 350,000 Indians, most of whom have been amiable, and a few loyal and progressive. Some, however, have been incited by Rebels

and by resentment to wage war against the Government, and in the Territories, by the collisions with the white race, have kept up predatory warfare, which we have sent troops to suppress. It ought not to be the policy of the Government to exterminate the red men, but rather, through missions and treaties, to pacify them.

There have been 6,291 patents granted during the fiscal year. The work of the census has been pushed as far as was possible. The work upon the several branches of the Pacific Railroad appears to be progressing satisfactorily, and they will doubtless be finished by the specified time of their charters. Surveys are being made of the main line westward.

More money is asked for the completion of the Capitol. The inhabitants of the District also want the Government to help them pay the local taxes, and to clean the city, and for other benevolent and humane purposes.

THE TREASURY REPORT.

The report of the Secretary of the Treasury we print in full elsewhere; in this column we present a synopsis of its most important statements of fact and of opinion, including the three topics of Currency, Public Debt, and Revenue, and pursuing the order in which they are treated by Mr. McCulloch.

I. The Currency.—The key to the policy which the Secretary advocates may be found in the declaration of his belief that the authority of Congress to make the obligations of the Government a legal tender resides outside of the Constitution, and that the inflation which has followed upon the necessary exercise of that authority during the war is prejudicial to both public and private interests. While, therefore, he does not advocate the repeal of the legal tender acts, nor believe it possible to reduce the volume of the currency by violent measures, he is of opinion that those acts should be regarded as only temporary, and that the work of retiring the notes which have been issued under them should be commenced without delay and carefully and persistently continued until all are withdrawn. The rapidity of the process will depend upon the ability to dispose of securities. The specific measures recommended are as follows:

First: That Congress declare that the compound interest notes shall cease to be a legal tender from the day of their maturity. These notes were intended to be a security rather than a circulating medium, and such a declaration by Congress would be neither injurious to the public nor an act of bad faith to the holders.

Second: That the Secretary be authorized in his discretion to sell bonds of the United States, bearing interest at a rate not exceeding six per cent, and redeemable and payable at such periods as may be conducive to the interests of the Government, for the purpose of retiring not only compound interest notes but the United States notes.

The amount which the Secretary estimates as necessary to be retired in order to bring the currency within proper limits is from one hundred to two hundred millions, in addition to the compound notes, the amount of which latter, Oct. 31, was \$173,012,141, all due in 1867 and 1868. The total paper circulation of the United States at that date was \$704,218,038, to which should be added \$300,000,000, the estimated amount of compound interest notes actually in circulation. The total is likely to be still further increased by the issue of notes to the National banks now daily going on, and destined to continue till the limit of \$300,000,000 authorized by law shall have been reached, as it will be at no distant date. As but \$185,000,000 of National Bank notes are included in the estimate of \$734,218,038 20, there remain \$115,000,000 to be added, and the aggregate amount of circulation will then be \$849,218,038 20. If the recommendations of the Secretary in regard to contraction be fully carried out by retiring \$200,000,000 of United States notes and the \$300,000,000 of compound interest notes actually in circulation, there will still remain a total circulation of \$619,218,038 20, even supposing that no extension of the amount of National Bank notes now authorized to be issued be granted by Congress. It is, perhaps, in view of these or similar calculations that the Secretary adds to his suggestions the remark that "neither the amount of reduction nor the time that will be required to bring up the currency to the specie standard can now be estimated with any degree of accuracy. The first thing to be done is to establish the policy of contraction."

II. The Public Debt.—The Secretary regards it as a public burden, the work of removing which should not be long postponed. He sees no way of doing that except by an increase of the national income beyond the national expenditures. The first step is to find the obligations that are soon to mature. The next, to provide for raising revenues necessary to pay the interest on the debt, and a certain definite amount annually for the reduction of the principal. On the 31st Oct., since which time no material change has taken place, the public debt amounted to \$2,808,549,437 55; for the items of which total, readers may refer to the report itself. Receipts for the fiscal year ending June 30, 1865 were \$1,298,532,533 21, of which \$864,863,429 17 were from loans applicable to expenditures, and \$697,361,241 63 from loans applied to payment of public debt, and \$209,464,215 25 from internal revenue. Expenditures were \$1,897,674,224 09, of which the War Department is charged with \$1,021,323,300 79; redemption of debt as above stated; interest on public debt, \$77,307,712. Balance July 1, 1865, \$858,309 15. Total increase of public debt during the year, \$941,902,537 04. The receipts for the quarter ending Sept. 30, 1865, were \$440,226,770 27; expenses, \$573,068,254 83; leaving balance Oct. 1, \$67,158,515 44. Estimated receipts for the remaining three quarters of the year ending June 30, 1866, are:

Currency.....	\$67,158,515 44
Estimate.....	\$100,000,000 00
Loans.....	500,000 00
Internal Revenue.....	175,000,000 00
Miscellaneous.....	30,000,000 00—\$362,658,515 44
Total.....	\$712,658,515 44

Estimated expenditures for the same period

are \$484,853,462 61, of which the War Department (for payment of troops and closing up existing balances) wants \$307,788,750 57, and Interest on the Public Debt, \$96,813,668 75. Deficiency for the year, \$112,194,947 20.

For the year ending June 30, 1867, estimates are:

RECEIPTS.....	\$100,000,000 00
Currency.....	100,000,000 00
Internal Revenue.....	175,000,000 00
Loans.....	500,000 00
Miscellaneous.....	30,000,000 00—\$365,500,000 00
EXPENDITURES.....	\$42,165,596 67
Currency and Indulgence.....	12,000,000 00
War Department.....	30,000,000 00
Navy Department.....	43,982,457 50
Interest on Public Debt.....	141,362,068 50—\$84,317,121 88
Estimated surplus of receipts.....	\$111,282,818 12

The past due debt on the 31st October, beside the compound interest, the United States and the fractional notes, amounted to \$1,373,920 09; debt due in 1865 and 1866 to \$187,549,646 46; debt due in 1867 and 1868 to \$48,323,591 80. Of the latter item, \$330,000,000 consist of 7 3/4 10 notes. As they are convertible into bonds only at the pleasure of holders, the Secretary desires to be authorized to fund them, whenever it can be advantageously done, in advance of their maturity. To meet deficiency for the present fiscal year he desires authority to sell, in his discretion, bonds of a similar character, to reduce the temporary loan, to pay maturing certificates of indebtedness, and also to take up any portion of the debt maturing prior to 1869 that can be advantageously retired. "It is not probable," remarks the Secretary, "that it will be advisable, even if it could be done without pressing them upon the market, to sell a much larger amount of bonds within the present or the next fiscal year than will be necessary to meet any deficiency of the Treasury, to pay the past due and maturing obligations of the Government, and a part of the temporary loan, and to retire an amount of the compound interest notes and United States notes sufficient to bring back the business of the country to a healthier condition. But no harm can result from investing the Secretary with authority to dispose of bonds if the condition of the market will justify it, in order to anticipate the payment of those obligations that must soon be provided for."

The total debt on the 1st of July, 1866, is estimated at \$3,000,000,000. The Secretary believes the whole amount may eventually be funded at a rate of interest from 5 to 6 1/2 per cent, and he suggests the application of \$200,000,000 per annum to the payment of principal and interest together, by which the whole would be extinguished in from 28 to 324 years.

III. Internal Revenue.—The Secretary recommends frequent and careful revision of the system of taxation, with a view to its becoming always more simple and productive. For specific recommendations he awaits the report of the special commission, expected early in the present session. In reference to the Southern States, the Secretary recommends that the collection of taxes accruing before the establishment thereof of revenue offices be indefinitely postponed; that sales of property for direct taxes be postponed till the States have an opportunity of assuming those taxes, as the loyal States did; and that all transactions invalid for want of stamps be legalized so far as lies in the power of Congress. For a great variety of statements and suggestions on other points the report itself may be consulted.

REPORT OF THE CONTROLLER OF THE CURRENCY.

The Hon. Freeman Clarke presents a compact statement of the year's work, which we print in full. The report is accompanied by about 140 pages of statistics, relating mainly to the condition of the National banks. Since the last annual report, 283 new banks have been organized, and 731 State banks converted into National. Whole number of National banks to Nov. 1, is 1,601, of which 679 were new, and 922 conversions from State institutions. Two banks have failed. The result of the conversion has been rather to diminish than to increase the circulation. National bank notes in circulation Oct. 1, were \$171,321,963; State banks, \$78,867,575; legal tender and fractional currency, \$704,584,658. Including bank notes not issued, the whole amount of the nominal circulation at that date was \$1,083,452,233; from which the Controller makes large deductions in order to arrive at the actual circulation. National bank notes not delivered to banks are \$109,152,945; legal tender held by banks, \$193,094,365; compound interest notes, mostly held as investments, \$121,314,195; currency in U. S. Treasury, \$56,236,440; altogether, \$429,557,607, leaving the actual circulation \$653,894,628.

It is recommended that as the most efficient means to curtail expansion, a system of compulsory redemption at the financial centers be adopted. The emergency which required an irredeemable paper currency no longer existing, resumption of specie payments should ensue at the earliest possible moment. As one step toward it, the tariff should be so adjusted as to discourage inordinate importations; increasing the tariff as gold and foreign exchange recede in price. Internal taxation at the same time should be simplified. In addition to \$120,000,000 from the tariff, the Controller's estimates are \$100,000,000 on whisky, malt liquors, and domestic wines; \$15,000,000 on tobacco; \$125,000,000 on cotton; \$15,000,000 from stamps; \$30,000,000 from licenses; \$10,000,000 from premiums on surplus of gold; in the aggregate \$405,000,000, a sum probably \$100,000,000 in excess of expenses, the whole or part of which could go to the yearly reduction of the debt. By restricting the Internal Revenue tax to a few articles the cost of its collection would be greatly diminished, and dissatisfaction with the law be abated. The Controller protests warmly against all schemes of State taxation of National securities as a violation of public faith, and proposes the transfer of the bureau which he administers from Washington to New-York, as demanded by economy and convenience.

Thanksgiving to God is beneficent to man. Charity will overflow to-day in this generous and Christian city. We hope that many of our

readers will bear in memory the Wilson Industrial School on the Eighth-ave., between Ninth and Tenth-sts., favorably known as the "Ragged School." Its lady managers desire to give a Thanksgiving Dinner on Wednesday, at 2 p. m., to the mothers of the poor little children, and on Thursday to the children themselves. Friends, send to these tables of the abundance with which God has crowned you.

REPORT OF THE POSTMASTER-GENERAL.

The Postal Department has been again more than self-sustaining during the fiscal year ending June 30, 1865, the revenue being \$14,556,158 70, and the expenditures \$13,694,728 98, leaving a surplus of \$861,429 72. The service has been 8 per cent more costly and 17 per cent more productive than the previous year. The average deficiency for the past 24 years has been \$1,288,028 61 per annum, which had to be met by special appropriation. The estimates of the year 1866 and 1867 contemplate a deficiency of \$1,207,457, which is more than provided for in unexpended appropriations.

There has been an addition of 3,168 miles of routes opened during the year, principally in the Southern States, and 1,051 of the 8,902 old offices reopened, at a much less cost than before, and proposals have been invited for reestablishing nearly all the old routes.

The European mail service has been conducted for some years on the basis of paying to American steamers the whole of the postage of letters carried, and to foreign steamers the sea postage only, the latter amounting to an average of \$2,970 per trip last year. The advantages of such competition rather than subsidizing national steamers are clearly set forth. Steam service with Brazil has been established, and contracted for to China.

Free delivery of letters is now confined to 45 principal cities. A new Post-Office building for New-York is recommended. There has been an increase of 25 per cent (859,222) in the number of dead letters for the year, of which 12,154 contained money amounting to \$244,372 97, a large increase upon last year. Nearly one per cent of all letters conveyed were sent to the Dead Letter Office, owing in part, no doubt, to the irregularities caused by the war. The law requiring the advertising in the newspaper of largest circulation it is found is very expensive, and discretion is urged in its stead.

The Money Order system is so far successfully in operation that it has issued 74,577 orders for \$1,350,122 82 during the year; the fees amounting only to two-thirds of the expenses. Some suggestions for alteration are suggested.

Contractors and others from the rebellious States have presented claims for a million dollars, which are held for the action of Congress. The two great mill-stones on the neck of the Post-Office are the Franking Privilege and the Overland Mail (partly military), which together cost a net outlay of two millions of dollars to be paid by the Department.

It is a gratifying fact, illustrating the progress of education and social development of our country, that the average receipts from the North alone during four years of war were \$3,533,845, over the whole, and of the past year \$8,008,091 greater than the revenues from the whole Union previous to the Rebellion!

REPORT OF THE SECRETARY OF THE NAVY.

Secretary Welles rehearses in his report the immensity of the task of organizing the Navy, and maintaining the blockade, and the operations of our fleets toward the close of the war. In four years the navy added 208 (steam) vessels and 45,900 men to its rolls, beside purchasing 418 vessels, of which 313 were steamers, which on sale have depreciated in value \$12,700,000. The cooperation of the navy in the capture of Wilmington, Charleston and Mobile will be read with keen interest. The conduct of England in building an equipping privateers and blockade runners is referred to in emphatic terms, and an enlargement and perfection of our Navy Yards is urged that we may be prepared for future emergencies. There are now five squadrons of national vessels—on the coast of Europe (7), Brazil (10), East India (4), Pacific (11), West India (8). At the highest period of efficiency of the blockading squadrons, in January last, there were 471 vessels, with 24,539 guns. Of prizes there have been captured of all kinds 1,151 vessels, of which 210 were steamers, masts and gunboats, 17; and 355 of all kinds have been sunk or destroyed. The estimated value of those sunk and captured is over \$31,000,000. The amount of prizes condemned up to the 1st November is \$21,229,543 96, and a number of important cases are still before the courts. Most of the whole has been British property.

There are on the pension roll 2,027 receiving an annual sum of \$248,529 50. An increase of the salaries of sailors and clerks is asked for. The resources of the Department for the fiscal year were \$140,091,125 92, and the expenditures \$116,721,675 95, which, together with unexpended appropriations and those for the current year, leaves a balance for estimated current expenses of \$142,291,919 40, exclusive of the proceeds of sales of vessels, etc. The working expenses of the navy for the year ending June 30, 1867, are estimated at a little less than twenty-four millions.

The Secretary offers some suggestions for the laying-up of iron-clads; location of a Naval Academy, and for the education of seamen. He concludes by stating that the navy is in a state of excellent physical and moral efficiency; congratulates the country, his subordinates and himself upon the success of their past labors, and commends the naval force to the cherishing care of the Government as the best hope of our national defense and glory.

SURPRISE AND CAPTURE OF RIVER THIEVES.

Sergeant Howell of the Harbor Police, at midnight, 11th inst., arrested a river thief having in his possession two boats loaded with about two tons of pilfered property of the Singer Sewing Machine Co. He also arrested three private watchmen who are implicated in the robbery, and who were employed in watching the property; they were all committed by Judge Bowline.